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JUN 24 2005

Hearing Unit, OIC
Patricia D. Petersen
Chief Hearing Officer

June 24, 2005

VIA FAX AND UPSMs. Patricia Peterson
Chief Hearing Officer
Company Supervision Division
State of Washington Insurance Department
5000 Capitol Blvd
Tumwater, WA 98501RE: The Insurance Corporation of New York (NAIC No. 18341)
Demand for Hearing/ Notice of Appeal of Revocation of
Certificate of Authority No. 860

Dear Ms. Peterson:

We are attorneys for The Insurance Corporation of New York ("InsCorp") and submit this Demand for Hearing/ Notice of Appeal on its behalf. InsCorp has received a letter from the Washington Insurance Department ("the Department") dated March 28, 2005 (See Tab 1), advising that the Department had entered Order No. G 2005 -08 revoking its Certificate of Authority No. 860 to transact business in your state. Chief Deputy Insurance Commissioner Watson's letter indicates that the revocation results from the Department's conclusion, upon review of InsCorp's 2004 Annual Statement, that its unimpaired capital and surplus are below the minimum amount required by Washington for property and casualty insurance companies and that its further transaction of insurance in your state would be hazardous to policyholders and the people in your state.

InsCorp hereby appeals the revocation of its Certificate of Authority No. 860 and respectfully requests that the Department change the revocation of its certificate of authority to a suspension. The basis for this appeal is that InsCorp needs additional time to receive a determination from the New York Insurance Department regarding the adequacy of InsCorp's

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surplus following implementation of a Plan of Commutation submitted pursuant to New York Insurance Law § 1321 and New York Insurance Regulation 141, 11 NYCRR Part 128, § 128.1 et seq. (the "Plan"). The Plan, which is intended to eliminate any financial impairment or insolvency and to permit InsCorp to continue in operation, was approved by the New York Insurance Department by letter dated June 1, 2005. (See Tab 2). Pursuant to the Plan's provisions, InsCorp has made offers to commute reinsurance agreements to each reinsurer from which it has assumed property and casualty insurance and to which it has obligations. This program of commutations is being conducted under administrative supervision of the New York Insurance Department pursuant to the above-described New York Insurance Law provisions. Accordingly, InsCorp demands a hearing on this matter pursuant to Washington Insurance Law section 48.04.010.

InsCorp reserves its rights to appeal the revocation or suspension, as the case may be, as such rights are described in Washington Insurance Law, Chapter 48.04 ("Hearings and Appeals") and Chapter 34.05 ("Administrative Procedure Act") of Rev. Code Wash. Title 34 ("Administrative Law").

Very truly yours,

Mound Cotton Wollan & Greengrass

By: 

PARTNER

cc: Mr. James T. Odiorne, CPA, JD
Deputy Insurance Commissioner, Company Supervision Division
Ms. Carol Sureau
Deputy Commissioner, Legal Affairs